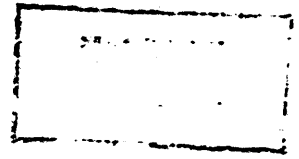


TRANSCRIPTION - ORIGINAL FOLLOWS

2. SUMMARY: EC COMMISSION EXTERNAL RELATIONS OFFICIALS ARE SENSITIVE TO PAKISTAN'S NEED FOR EXTERNAL POLITICAL AND ECONOMIC SUPPORT, ALTHOUGH THEY SAY THEY ARE PERPLEXED AT ISLAMADAD'S APPARENT RELUCTANCE TO MAKE ITS OWN CASE MORE FORCEFULLY. WE ARE TOLD THE COMMISSION IS NOT NOW CONSIDERING A CASH CONTRIBUTION TO UNHCR'S AFGHAN REFUGEE RELIEF PROGRAM, BUT THIS COULD CHANGE IF UNHCR PRESENTS TO THE EC AN ADEQUATE CASE FOR EMERGENCY RELIEF. END SUMMARY.

3. MISSION OFFICERS RECENTLY DISCUSSED EXTERNAL SUPPORT FOR PAKISTAN WITH EC COMMISSION OFFICIALS DRAWING ON INFORMATION PROVIDED REF A. THESE OFFICIALS AGREED WITH CITING FACT THAT POLITICAL COMMITTEE (EC-TEN POLITICAL DIRECTORS) HAD RECENTLY ASKED THE COMMISSION TO LOOK AT

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ACTION NEA-11

INFO OCT-01 ADS-00 AID-07 INR-10 EUR-12 SS-10 CIAE-00
ED-00 EA-10 ICA-11 M-01 IO-10 NSAR-00 COME-00
NA-00 L-00 LAD-00 TOS-00 OPIC-07 CEA-01 GND-01
STR-10 SIL-01 FONE-00 AONE-00 FNE-00 BP-10 BP-02
SR-04 /102 U

-----143223 201013Z /40
R 201026Z FEB 61
FM AMEMBASSY BRUSSELS
TO SECRETARY WASHDC 6706
INFO ALL EC CAPITALS
AMEMBASSY ISLAMABAD
USMISSION USMAYO

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USSEC

E.O. 12065: CDS 02/24/07 (LORIE, ARTHUR L.) C-9
TAGS: EAD, SREF, REC, PR, RF
SUBJ: EC VIEW ON ECONOMIC SUPPORT FOR PAKISTAN

2. SUMMARY: EC COMMISSION EXTERNAL RELATIONS OFFICIALS
ARE SENSITIVE TO PAKISTAN'S NEED FOR ECONOMIC RELIEF AND
ECONOMIC SUPPORT, ALTHOUGH THEY SAY THEY ARE CONCERNED BY
ISLAMABAD'S APPARENT RELUCTANCE TO MAKE ITS CASE MORE
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THE EC AN ADEQUATE CASE FOR EMERGENCY RELIEF. END SUMMARY.

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FOR PAKISTAN WITH EC COMMISSION OFFICIALS DRAWING ON
INFORMATION PROVIDED REF. A. THESE OFFICIALS AGREED WITH
DESIRABILITY OF A COLLECTIVE POLITICAL AND ECONOMIC EFFORT.
CITING FACT THAT POLITICAL COMMITTEE (EC-70N POLITICAL
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DIRECTORS) HAD RECENTLY ASKED THE COMMISSION TO LOOK AT

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WHAT MORE IT CAN DO FOR THE AFGHAN REFUGEES IN PAKISTAN. SEVERAL MEMBER STATES WERE PARTICULARLY DETERMINED THAT ANY FOOD AID PROPOSED FOR VIETNAM SHOULD INSTEAD GO TO PAKISTAN. THE COMMISSION HAS NOT YET FORMULATED A PROGRAM ADDITIONAL TO THOSE ALREADY PLANNED FOR 1981 (PARA. 5) IN RESPONSE TO POLITICAL COMMITTEE.

4. COMMISSION OFFICIALS EXPRESSED BEWILDERMENT OVER FACT THAT PAKISTAN HAS NOT BEEN MORE STRONGLY MAKING ITS OWN CASE FOR EXTERNAL ASSISTANCE. MOST OF DEMARCHE TO EC HAVE COME FROM THIRD PARTIES. [4 LINES EXCISED]

5. EC OFFICIALS NOTE THE FOLLOWING SPECIFIC EC AID DECISION IN FAVOR OF PAKISTAN:

(A) FOOD AID.

EC COMMISSION HAS PROPOSED TO THE EC COUNCIL THAT PAKISTAN RECEIVE 35,000 TONS OF CEREALS, 750 TONS OF [WORD ILLEG], AND 1,500 TONS OF BUTTEROIL UNDER THE 1981 REGULAR FOOD AID PROGRAM. UNDER THE EMERGENCY PROGRAM, THE COMMISSION IS PROPOSING 1,500 TONS OF CEREALS FOR THE AFGHAN REFUGEES TO BE CHANNLED THROUGH UNHCR.

(B) PROJECT AID.

EC DECIDED IN DECEMBER 1980 THAT PAKISTAN SHOULD, UNDER 1980 AID PROGRAM FOR NON-ASSOCIATED STATES, RECEIVE 5.8 MILLION EUROPEAN UNITS OF ACCOUNT UNDER THIS BUDGET HEADING TO BE ALLOCATED AS FOLLOWS: 4 MILLION TO A PROJECT TO IMPROVE WATER SUPPLY IN BALUCHISTAN AND 1.8 MILLION TO FINANCE PILOT PROJECTS FOR HARNESSING SOLAR ENERGY IN RURAL AREAS. (1 EUA CURRENTLY EQUALS 1.20 DOLLARS.) UNDER THE 1981 PROGRAM OF AID TO THE NON-ASSOCIATED STATES, COMMISSION OFFICIALS ESTIMATE PAKISTAN COULD RECEIVE AS MUCH AS 10-12 MILLION EUA, DEPENDING ON THE QUALITY OF AGRICULTURAL PROJECT PROPOSALS SUBMITTED BY ISLAMADAD (REF C). WE UNDERSTAND GOP OFFICIALS HAVE RECENTLY REQUESTED THE EC TO HELP FINANCE PAKISTAN'S "SPECIAL DEVELOPMENT PLAN" FOR

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WHAT MORE IT CAN DO FOR THE AFGHAN REFUGEES IN PAKISTAN. SEVERAL MEMBER STATES WERE PARTICULARLY DETERMINED THAT ANY FOOD AID PROPOSED FOR VIETNAM SHOULD INSTEAD GO TO PAKISTAN. THE COMMISSION HAS NOT YET FORMULATED A PROGRAM ADDITIONAL TO THOSE ALREADY PLANNED FOR 1961 (PARA. 5) IN RESPONSE TO POLITICAL COMMITTEE.

4. COMMISSION OFFICIALS EXPRESSED DUBIOUSNESS OVER FACT THAT PAKISTAN HAS NOT BEEN MORE STRONGLY MAKING ITS OWN CASE FOR EXTERNAL ASSISTANCE. MOST OF DONATIONS TO EC HAVE COME FROM THIRD PARTIES.

B1a3/5

5. EC OFFICIALS NOTE THE FOLLOWING SPECIFIC EC AID DECISIONS IN FAVOR OF PAKISTAN:

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(B) PROJECT AID.

EC DECIDED IN DECEMBER 1960 THAT PAKISTAN SHOULD, UNDER 1960 AID PROGRAM FOR NON-ASSOCIATED STATES, RECEIVE 5.5 MILLION EUROPEAN UNITS OF ACCOUNT UNDER THIS BUDGET HEADING TO BE

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ALLOCATED AS FOLLOWS: 4 MILLION TO A PROJECT TO IMPROVE WATER SUPPLY IN BALUCHISTAN AND 1.5 MILLION TO FINANCE PILOT PROJECTS FOR HARNESSING SOLAR ENERGY IN SOUTHERN AREAS. (1 EUA CURRENTLY EQUALS 1.20 DOLLARS.) UNDER THE 1961 PROGRAM OF AID TO THE NON-ASSOCIATED STATES, COMMISSION OFFICIALS ESTIMATE PAKISTAN COULD RECEIVE AS MUCH AS 10-12 MILLION EUA, DEPENDING ON THE QUALITY OF AGRICULTURAL PROJECT PROPOSALS SUBMITTED BY ISLAMABAD (REF C). WE UNDERSTAND GOP OFFICIALS HAVE RECENTLY REQUESTED THE EC TO HELP FINANCE PAKISTAN'S "SPECIAL DEVELOPMENT PLAN" FOR

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TRANSCRIPTION - ORIGINAL FOLLOWS

BALUCHISTAN.

(C) EMERGENCY RELIEF.

WE ARE TOLD BY COMMISSION OFFICIALS THAT, DUE TO BUDGETARY STRINGENCIES, A CASH CONTRIBUTION TO UNHCR'S REFUGEE PROGRAM IN PAKISTAN "IS NOT ENVISAGED AT THIS TIME." ON THE OTHER HAND, PRIVATELY THEY DO CONCEDE THAT IF THERE IS SUFFICIENT EC MEMBER STATE SUPPORT SOME EMERGENCY AID MONEY COULD BE FOUND, PROVIDED UNHCR PRESENTS A WELL DOCUMENTED CASE FOR IT. LAMB

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BALUCHISTAN.

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